

Volume: 9
Number: 6
June 2019

MIRAPost

Maldives Inland Revenue Authority
MIRAmaldives
MIRA maldives
miramaldives



June 2019

BPT DEADLINE

▶ 3

Remittance Tax

Mariyam Adam

Deputy Manager, Taxpayer Facilitation



Pursuant to the 5th amendment to the Employment Act, remittance tax is levied at a rate of 3% on money remitted by foreigners employed in the Maldives, from 1 October 2016 onwards.

For the purpose of remittance tax, “foreigners employed in the Maldives” refers to foreigners who have been issued a work visa and foreigners who are not allowed to work in the Maldives without a work visa, even if such visa has not been obtained or the visa has expired. Moreover, money remitted by a holder of a “dependent visa” that is issued to the dependent of a foreigner employed in the Maldives also will be subject to remittance tax. Where a foreigner employed in the Maldives, or the holder of a “dependent visa” that is issued to the dependent of a foreigner employed in the Maldives, or a Maldivian citizen, attempts to

take out of the Maldives, cash belonging to another foreigner employed in the Maldives, it shall be considered as an act of tax avoidance.

It is the responsibility of banks and non-bank financial institutions operating in the Maldives that provide money transfer service out of the Maldives, to collect remittance tax from foreigners and pay it to MIRA. Such institutions will be automatically registered for remittance tax once they are issued with the license to transfer money outside Maldives by MMA. All registered parties must file their remittance tax return and the information sheet for each calendar month. The deadline for the payment and filing of remittance tax return is the 15th day of the month followed by taxable period. Remittance tax has to be paid in Maldivian rufiyaa to MIRA.

Amending Tax Return

Mohamed Migdhadh

Assistant Tax Officer, Taxpayer Facilitation

All taxpayers registered under a Maldivian tax law are obligated to compute their taxable profit and submit their “tax returns” to MIRA by the deadline. Taxpayers can submit an amended return to MIRA within 12 months from the deadline for submission of that return should they wish to amend the original return filed. When filing the amended tax return, taxpayers must submit MIRA 913 form (Tax Return Amendment Request form) with the amended return. The reason for the amendment and if there is any change in the tax liability, it must be stated in the form. Furthermore, the amendment request should be supported by the necessary documents indicated on the second page of MIRA 913 form.

However, if the tax liability declared on an amended tax return is lower than the tax liability declared on the most recent return filed

by that person for that period, the amended tax return will be reviewed by MIRA before accepting it. However, if the amended return demonstrates a higher tax liability than the tax liability declared on the most recent return filed by that person for that period, MIRA will accept the amended return without any review.

Taxpayers who filed their tax returns online through “MIRAconnect” can amend their tax return online. Taxpayer’s filing history can be viewed on MIRAconnect’s home page, under the tab “filing history”. Taxpayers may amend the return by choosing a return in their filing history and selecting the “view and amend” command. If a taxpayer wishes to amend his/her MIRA 303 (Statement of Interim Payment) return, the amended return must be submitted to a MIRA counter as MIRA 303 forms cannot be filed online yet.

BPT deadline for 2018

Ahmed Shaheen

Principle Tax Officer, Tax Academy



Under the BPT Act, the filing deadline of BPT return for the tax year 2018 is 30 June 2019. Companies, partnerships and other entities, with the exception of individuals and deemed partnerships, are required to submit their BPT returns. Individuals and deemed partnerships are required to file BPT returns for the year 2018 if their annual turnover exceeds MVR 1 million or taxable profit is more than MVR 500,000 for the tax year 2018. Additionally, those who were required to file BPT return for the tax year 2017 are also required to file BPT return for the year 2018.

Unlike other tax returns, BPT Return is comprehensive and requires additional prerequisites, and preparations need to be started early. Since the financial statements have to be submitted together with the return, determining its requirements and appointing an auditor if required to do so is of significant importance, especially as this requires time and prior preparation. Taxpayers with an annual turnover of less than MVR 10 million

are not required to submit an auditor's report and can choose cash basis of accounting. This exemption, however, does not apply if a taxpayer has submitted an auditor's report for tax year 2016 or 2017 or if the taxpayer's annual turnover had exceeded MVR 10 million in 2016 or 2017. That is, even if such taxpayers' do not reach the threshold of MVR 10 million for tax year 2018, they must still submit the auditor's report for tax year 2018 and in such cases the financial statements must be prepared using the accrual basis of accounting.

Another aspect that taxpayers should be mindful about is the submission of the BPT online via MIRAconnect (for submissions after 1 June 2018) if the taxpayer's annual turnover is equal to or more than MVR 10 million. However, taxpayers whose annual turnover does not exceed MVR 50 million, can make their BPT related payments at the counters, too.



1901 CPD Program

- CPD Program for MIRA approved auditors and Licensed Tax Agents



Vehicle Fee payment

1



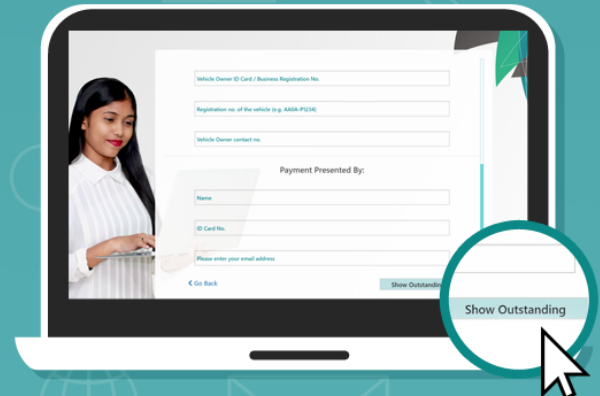
2



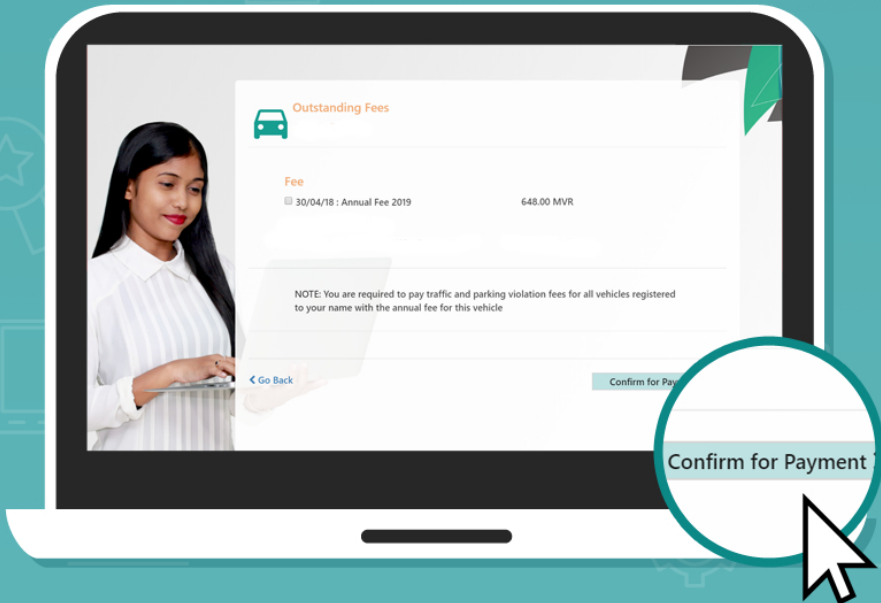
3



4

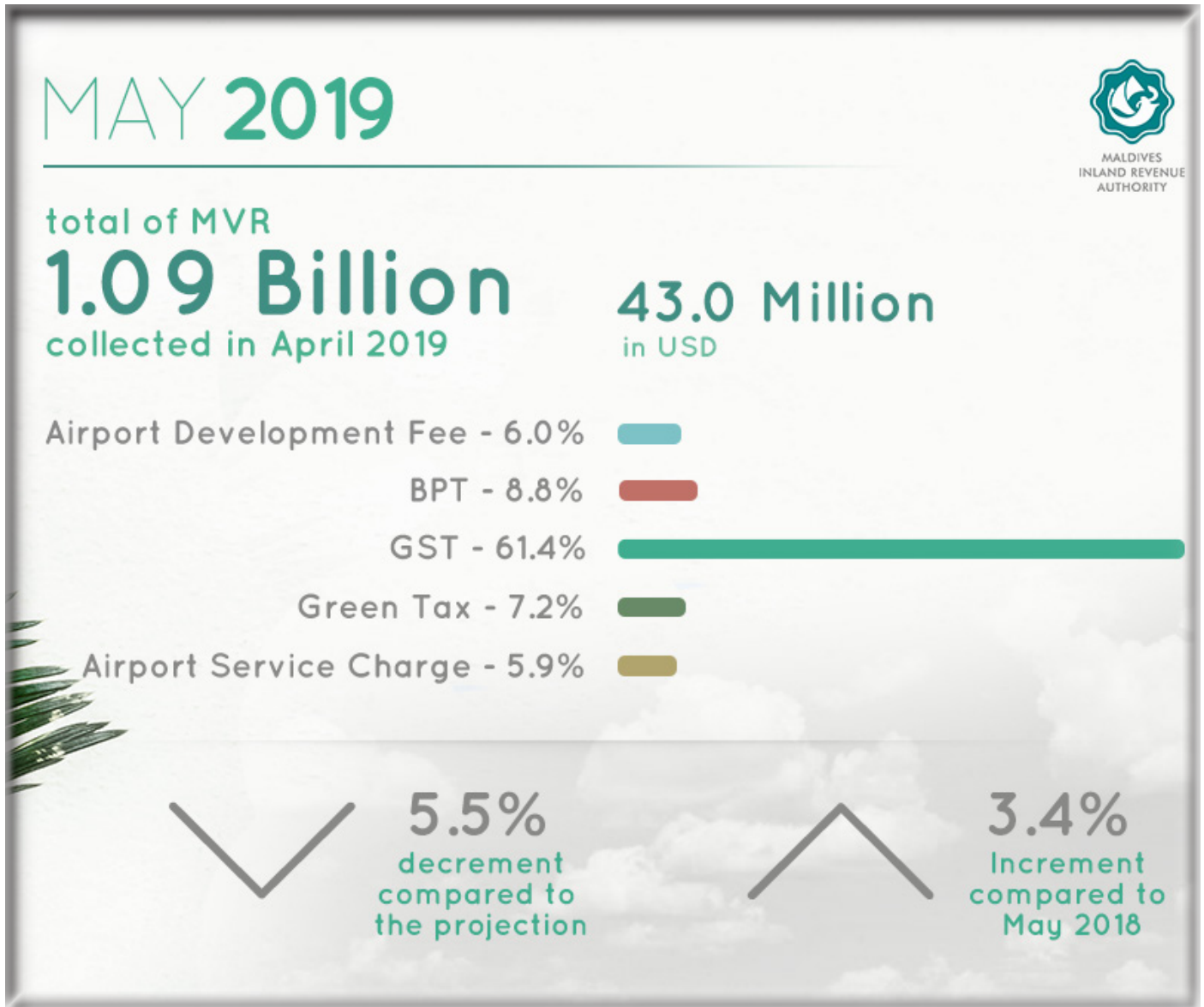


5



MIRA collects MVR 1.09 billion as revenue in May

Hassan Humaiz
Assistant Tax Officer, Planning



MIRA collected MVR 1.09 billion in May 2019. This amount is 3.4% more than the amount received for the same month last year and 5.5% less than the forecast for May 2019.

The reason for the increase in revenue collected compared to the same period last year is due to the significant increment in tourist arrivals in April 2019, which increased by 36.3% compared to the corresponding period of 2018. However, due to the decrement in the Bank Profit Tax, actual revenue is lower than the forecasted revenue.

The greatest share of the revenue collected for May 2019 was from GST with MVR 666.90 million or 61.4% of total revenue. The second largest contributor was BPT (MVR 95.40 million or 8.8%). Other significant contributors include Green Tax (MVR 77.66 or 7.2%), Airport Development Fee (MVR 64.84 million or 6.0%), Airport Service Charge (MVR 64.27 million or 5.9%) and other taxes and fees (MVR 116.62 or 10.7%).

Out of the total revenue collected in May 2019, USD 43 million constitutes the dollar collection.

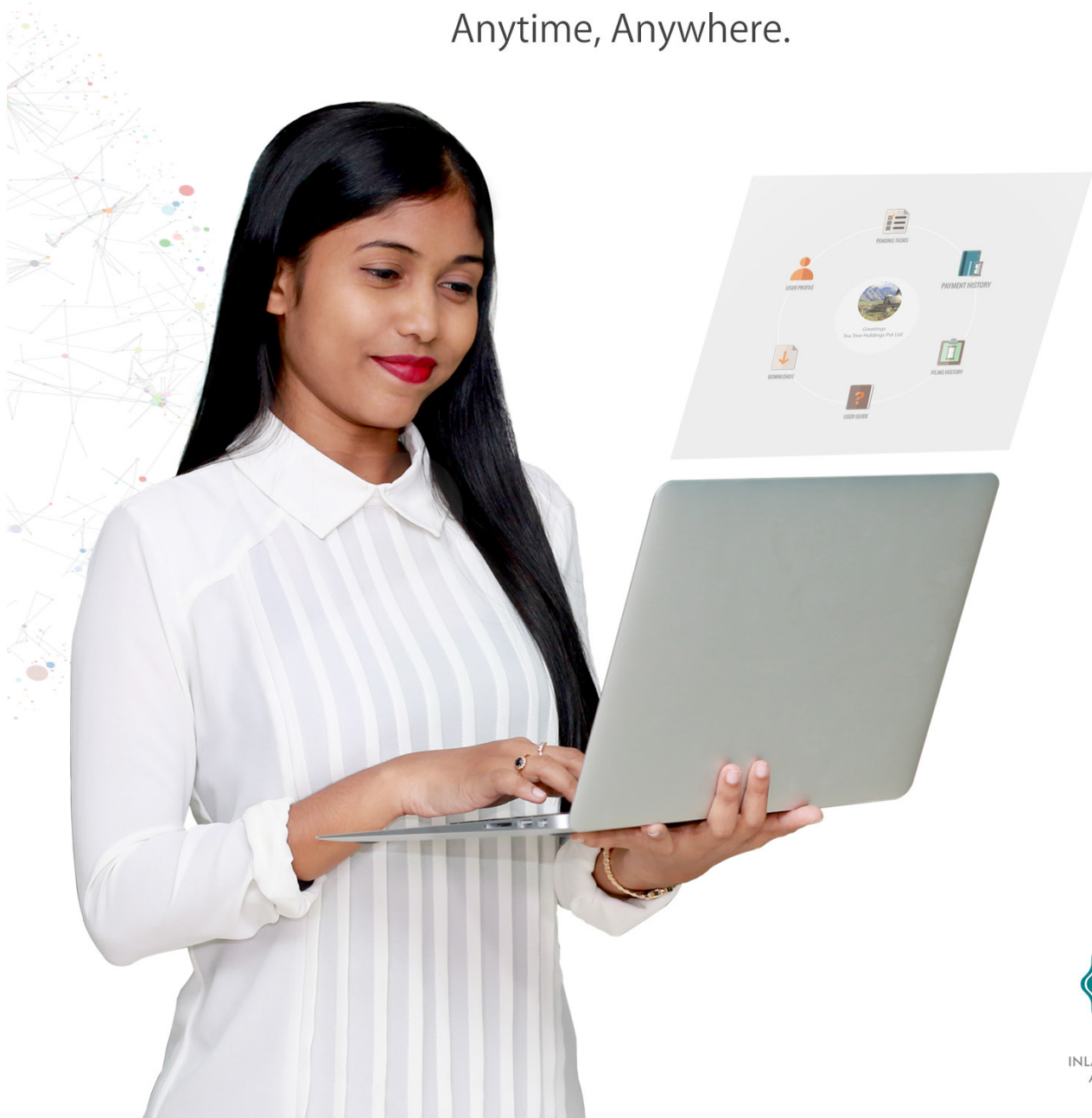
MIRAconnect

ANYTIME, ANYWHERE

Experience the revamped "MIRAconnect" portal, a strategic initiative by MIRA aimed at enhancing the functionality and user-friendliness of our online services!

Wherever you are, file your tax returns and pay your taxes with a few clicks.

Anytime, Anywhere.



MALDIVES
INLAND REVENUE
AUTHORITY

☎ 1415

✉ 1415@mira.gov.mv

🌐 www.mira.gov.mv